

Message Text

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PAGE 01 CARACA 00168 072150Z

71

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 SCI-06 SCEM-02 INT-08 AID-20

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00

XMB-07 OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01

DODE-00 PM-07 H-03 L-03 NSC-10 PA-04 PRS-01 SS-20

USIA-15 CEA-02 STR-08 IO-14 DRC-01 /197 W

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 2305

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E.O. 11652: N/A

TAGS: ENRG VE

SUBJECT: ESTIMATED DELIVERED COST OF VENEZUELAN CRUDE

REF: CARACAS-06

1. IN ASSESSING AFFECT ON US OF INCREASE OF VENEZUELAN PETROLEUM TAX REFERENCE VALUE TO \$14.08 IT SHOULD BE NOTED THAT ONLY A PORTION OF \$6.34 PER BARREL INCREASE IN TRV'S NEED BE PASSED ON TO US CONSUMER, NAMELY THE \$3.68 PORTION WHICH REPRESENTS INCREASED VENEZUELAN TAX TAKE. TOTAL VENEZUELAN TAX TAKE OF \$8.25 PER BARREL, DURING JANUARY 1974, IS COMPOSED OF AN INCOME TAX OF \$7.04 AND A ROYALTY OF \$1.21. THESE FIGURES, WHICH CAME FROM CREOLE, ARE NECESSARILY APPROXIMATE AS THEY RELATE TO TOTAL MIX OF CRUDES AND PRODUCTS EXPORTED FROM VENEZUELA AND MIX CAN OBVIOUSLY CHANGE THEREBY CHANGING AVERAGES.

2. BASED ON ABOVE FIGURES, IT WOULD APPEAR THAT TOTAL TAX TAKE PER BARREL FOR CRUDE (NOT INCLUDING PRODUCTS) WOULD BE ABOUT \$8.14. ADDING TO THIS AN ESTIMATE FOR OPERATING COSTS OF 51 CENTS PER BARREL AND AN ESTIMATE FOR FREIGHT OF 35 CENTS WOULD

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PAGE 02 CARACA 00168 072150Z

GIVE A DELIVERED COST ON THE US EAST COAST FOR VENEZUELAN CRUDE

OF ABOUT \$9 PER BARREL. OBVIOUSLY, THIS DELVIERED COST WOULD
VARY WITH TANKER RATES.
MCCLINTOCK

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Message Attributes

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